



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approve the Joint Powers Agreement for the Northeastern San Joaquin County Groundwater Banking Authority, Appoint a Representative and Two Alternates to that Board, and Provide Policy Direction Regarding Participation in Successor Entity to East San Joaquin Parties Water Authority for Future Surface Water Supplies

MEETING DATE: February 7, 2001

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council approve the joint powers agreement for the Northeastern San Joaquin County Groundwater Banking Authority, appoint a representative and two alternates to that Board, and provide policy direction regarding participation in successor entity to East San Joaquin Parties Water Authority for future surface water supplies.


BACKGROUND INFORMATION: On October 17, 2000, City staff briefed the City Council on water supply activities including our membership in the East San Joaquin Parties Water Authority (ESJPWA) and discussions with North San Joaquin Water Conservation District (NSJWCD) and East Bay Municipal Utilities District (EBMUD) on possible conjunctive-use water supply projects. The Council concurred in the direction that was described. A copy of the report from that meeting is attached (Exhibit A).

Staff has continued to work on these items, however, a recent development has initiated a sense of urgency. EBMUD, Sacramento interests, and the Bureau of Reclamation have resolved many issues regarding diversion of American River water to EBMUD via a pipeline from Sacramento to the EBMUD aqueducts in San Joaquin County. (See Exhibit B for map and MOU.) The opportunity to participate in this project is one that we and others in the County should not pass up; however, the time frame is extremely short, as stated in the letter from the project partners to San Joaquin County (Exhibit C).

Since the ESJPWA agreement has expired, a new entity is needed to step up and take the lead in representing interested parties. Management staff from the ESJPWA members met to discuss a new entity and have drafted a new Joint Powers Agreement (Exhibit D). The organization's purpose and goals are stated in Article I. Given the accelerated time frame, the other agencies are all considering this document in early February, in order to receive final approval from the Board of Supervisors by late February. The name of the organization has been changed to more accurately reflect the geographical area represented and the purpose of the organization.

The agreement provides for a representative from the City of Lodi plus two alternates. Two alternates were recommended to help insure participation since a unanimous vote is required for any action. In the past, the Board member was a member of the City Council and the alternate was the

APPROVED:


H. Dixon Flynn -- City Manager

Approve the Joint Powers Agreement for the Northeastern San Joaquin County Groundwater Banking Authority, Appoint a Representative and Two Alternates to that Board, and Provide Policy Direction Regarding Participation in Successor Entity to East San Joaquin Parties Water Authority for Future Surface Water Supplies
February 7, 2001
Page 2

Public Works Director. Staff feels that this is appropriate. The second alternate could be either another Councilmember, City staff member, or someone from the public. The main qualifications would be a keen interest in water issues and the time to attend what is likely to be a high number of meetings in the next few months.

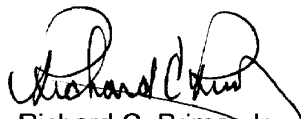
In terms of policy direction, those described in Exhibit A are still generally valid from staff's prospective; however, they are out-of-date given the latest developments in Sacramento County. The projects described in Exhibit A are certainly lower in priority for EBMUD when compared to the Freeport project. Also, it is very possible that unless the facility is oversized, there will only be a relatively small amount of water available for San Joaquin County. Oversizing the project will take a significant effort on the part of this County – an effort that will mean spending a substantial amount of money in a short time frame. And EBMUD has made it clear they want their project to move forward quickly.

In terms of policy direction, staff feels that the City of Lodi should be prepared to speak up for roughly 15,000 to 25,000 acre-feet of water, at least in wet years. This will mean spending some money, both in participating in the legal negotiations over project agreements and in preliminary engineering to examine alternatives. These costs are unknown at this time, but could easily be in the six-figure range. Our use of the water in the very long term would be to reduce our own use of groundwater. In the short term, the water could be used for groundwater recharge or provided to other users to reduce groundwater pumping. This policy direction would include continuing to move forward absent other members of the JPA, if necessary.

Again, this is only policy direction at this point. No financial commitment is needed today. The County is nearing completion of the county-wide Water Management Plan which will provide additional background information to help in making a decision at a later date. Also, the City's Urban Water Management Plan is nearing completion and will be available for public and Council review in a few weeks.

Staff will have additional information at the Council meeting on the 7th.

FUNDING: None needed at this time.



Richard C. Prima, Jr.
Public Works Director

RCP/pmf

Attachments

cc: Jack Sieglock, San Joaquin County Board of Supervisors
Ed Steffani, North San Joaquin Water Conservation District
Andy Christensen, Woodbridge Irrigation District
Manuel Lopez, San Joaquin County Public Works Director
Morris Allen, City of Stockton, Water/Wastewater Director
Kevin Kaufman, Stockton East Water District, General Manager
Reed Roberts, Central San Joaquin Water Conservation District
Anthony Saracino
Mark Williamson, East Bay Municipal Utility District
Fran Forkas, Water/Wastewater Superintendent



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Update on Water Supply Issues

MEETING DATE: October 17, 2000 (Shirtsleeve Session)

PREPARED BY: Public Works Director

RECOMMENDED ACTION: None – information only.

BACKGROUND INFORMATION: Following previous Council direction, City staff has, 1) continued to work within its membership in the East San Joaquin Parties Water Authority (ESJPWA), and 2) held discussions with North San Joaquin Water Conservation District (NSJWCD) and East Bay Municipal Utilities District (EBMUD) on possible conjunctive-use water supply projects. The purpose of this meeting is to update the Council and the public on these activities and describe upcoming activities.

The fundamental element of a conjunctive-use project is that excess surface water supplied from one entity would either be stored in the local groundwater basin, or provided as additional surface water replacing present groundwater use by a local entity, and then, in a drought, the “stored” groundwater would be available to the supplying entity. While the concept sounds simple, issues surrounding the details, both legal and technical, are complex and controversial in some minds. These issues are being addressed as described below and our planned policy direction is shown in italics:

- ESJPWA – This entity has served as a forum for local urban and agricultural water suppliers and users, including EBMUD, to continue discussions and plan for future projects. ESJPWA has confirmed its role as a planning authority and has formally stated that any specific projects are to be undertaken by individuals or groups of members. The ESJPWA has continued the Beckman Test Project to learn more about the fate of injected water into the groundwater basin to assist members in planning a larger scale project.

We intend to continue this participation and strongly agree that actual projects would be best handled by the ESJPWA's members.

- San Joaquin Water Advisory Commission – This countywide commission is currently considering one element related to implementing the recently revised County groundwater export ordinance. That element has to do with possible amendments to State law regarding groundwater export. A memorandum describing possible amendments has been drafted by legal counsel and is attached as Exhibit A.

Without getting into the myriad of details, we intend to support changes that simplify and make conjunctive-use projects more likely to be implemented while allowing for a reasonable degree of local control.

APPROVED:

H. Dixon Flynn
H. Dixon Flynn -- City Manager

- Integrated Storage Investigations and Countywide Groundwater/Surface Water Management Plan – This ambitious and important study is a joint effort among the County, State and local water agencies to develop a comprehensive water supply plan for San Joaquin County. The effort is being assisted by a large steering committee in which we participate. A "Principles of Participation" statement is attached as Exhibit B. One outcome of this work will be an updated computer model of the groundwater basin, which includes surface water flow and use impacts. But the key outcome is a preferred alternative consisting of a package of options, including projects, programs, policies and/or operational strategies that offer a means for achieving plan objectives (see Exhibit C).

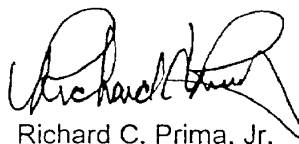
We intend to continue participation in this effort and work toward including conjunctive-use, conservation, and recycling as potential elements of the Plan.

- Potential project with Lodi and NSJWCD and/or EBMUD – Following ESJPWA's direction that members actually implement projects, and past Council direction, staff has continued to work on a possible project, focusing on what was formerly called the "10-well project". The updated project concept is attached as Exhibit D and would mainly involve EBMUD and NSJWCD. The concept includes two elements that have led City staff to suggest that additional elements (and City participation) be considered. One element is the concern over pumping wells within the agricultural areas for export – that the increased pumping during a dry year could have an adverse impact on adjacent ag wells. The other element is that the exported water will need to be filtered to remove potential contaminants, mainly DBCP. Of the \$25 million budget, nearly half is for filters.

The additional elements suggested would include the City as part of the project by using excess (off-peak) capacity in our wells as all or part of the export wells, thereby minimizing the impact to agricultural areas. The next element would include the City as one of the conjunctive users. The City would use some surface water when it is available, thereby "banking" groundwater for export in dry years. There are numerous feasibility and technical details to consider, as well as legal/institutional ones to work out on these elements. An updated conceptual outline is attached (Exhibit E).

Staff intends to continue to work with NSJWCD and EMBUD on this project, including the additional elements, and develop a scope of work for a study to address these details. This will be brought back to the Council in the future for discussion and action. We also intend to continue to work with NSJWCD in its efforts to secure surface water for direct use and/or recharge.

FUNDING: None needed at this time.



Richard C. Prima, Jr.
Public Works Director

RCP/lm

Attachments

cc: Fran Forkas, Water/Wastewater Superintendent
Ed Steffani, North San Joaquin Water Conservation District
Anthony Saracino, East San Joaquin Parties Water Authority
Mark Williamson, East Bay Municipal Utility District
Andy Christensen, Woodbridge Irrigation District
Jack Sieglock, San Joaquin Board of Supervisors
Bob Johnson, Water Advisory Commission Representative

Treatment and Conveyance for
Water Diverted from the Sacramento River at Freeport
(Freeport East)

Alternative 6A and 6B
(Connection to
Folsom South Canal)

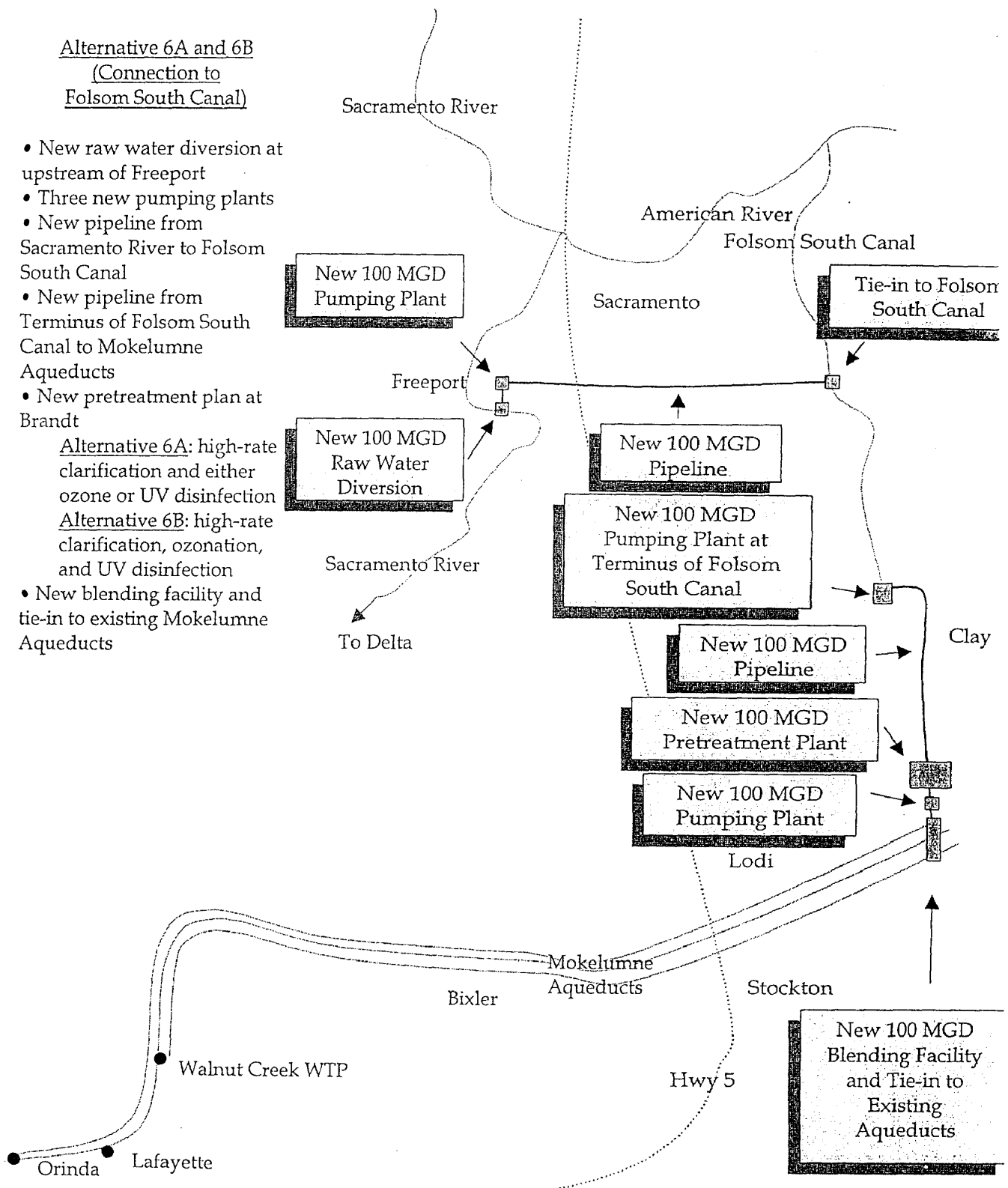
- New raw water diversion at upstream of Freeport
- Three new pumping plants
- New pipeline from Sacramento River to Folsom South Canal
- New pipeline from Terminus of Folsom South Canal to Mokelumne Aqueducts
- New pretreatment plant at Brandt

Alternative 6A: high-rate

clarification and either
ozone or UV disinfection

Alternative 6B: high-rate
clarification, ozonation,
and UV disinfection

- New blending facility and tie-in to existing Mokelumne Aqueducts



30



COUNTY OF SACRAMENTO

DEPARTMENT OF WATER RESOURCES
COUNTY ADMINISTRATION BUILDING
827 SEVENTH STREET, ROOM 301
SACRAMENTO, CA 95814

Phone: (916) 874-6851
Fax: (916) 874-8693

PUBLIC WORKS AGENCY
WARREN H. HARADA, Administrator

CHERYL F. CRESON, Director
County Engineering/Administration
ROBERT F. SHANKS, Director
Water Quality
JOHN W. NEWTON, Director
General Services
KEITH DEVORE, Director
Water Resources
TOM ZLOTKOWSKI, Director
Transportation

APPROVED
BOARD OF DIRECTORS
WA - 2415
JAN 16 2001

Agenda Date: January 16, 2001

3:00 p.m.

By Cindy H. Turner
Clerk of the Board

TO: Board of Supervisors

Board of Directors
Sacramento County Water Agency

APPROVED
BY RESOLUTION # 2001-0052
BOARD OF SUPERVISORS

JAN 16 2001
By Cindy H. Turner
Clerk of the Board

FROM: Department of Water Resources

SUBJECT: MEMORANDUM OF AGREEMENT WITH THE COUNTY OF
SACRAMENTO, SACRAMENTO COUNTY WATER AGENCY, CITY OF
SACRAMENTO, EAST BAY MUNICIPAL UTILITY DISTRICT
(EBMUD) AND U.S. BUREAU OF RECLAMATION TO EXPLORE THE
FEASIBILITY OF A WATER SUPPLY DIVERSION PROJECT ON THE
SACRAMENTO RIVER NEAR THE TOWN OF FREEPORT

CONTACT: Keith DeVore, 874-8232

Overview

The County of Sacramento, Sacramento County Water Agency, City of Sacramento, EBMUD and U.S. Bureau of Reclamation have negotiated a Memorandum of Understanding (MOA). The purpose of the MOA is to further explore the feasibility of a water supply diversion project on the Sacramento River near the town of Freeport.

Recommendations

It is recommended that:

- 1) The Board of Supervisors approve the attached resolution authorizing the Chair and the County Executive to execute the attached MOA with the Sacramento County Water Agency, City of Sacramento, EBMUD and U. S. Bureau of Reclamation and,
- 2) The Board of Directors approve the attached resolution authorizing the Chair to execute the attached MOA with the County of Sacramento, City of Sacramento, EBMUD and U. S. Bureau of Reclamation.

Board of Supervisors
Board of Directors, Sacramento County Water Agency
January 16, 2001
Page 2

3) Both actions should include delegation to the Director of the Department of Water Resources to complete those as yet unspecified dates within the agreement in consultation with the other parties.

Fiscal Impact

The costs associated with signing the MOA and their allocation to the participating parties are not yet defined. Once known, staff will return to your Boards to execute the necessary contracts.

The MOA will not impact the General Fund.

DISCUSSION:

The purpose of the MOA is to further explore the feasibility of a surface water supply diversion project on the Sacramento River near the town of Freeport. The MOA is the first step in a process that may result in a joint water supply project that would enhance Zone 40 surface water deliveries. The MOA is the product of more than eight months of discussions among the affected parties to identify potential solutions to EBMUD's long-standing need for a supplemental water supply while protecting the lower American River.

The MOA will:

- Set time commitments for preliminary engineering and environmental studies necessary to determine the ultimate feasibility and scope of a joint project at Freeport. Issues that must be addressed include:
 - Quantity of diversions
 - Timing of diversions
 - Project specific environmental review
 - Cost allocation / Water Quality issues
 - Pipeline routing
 - Community involvement
 - Assurances
- Develop an agreed upon cost-share proposal.
- Develop schedules for all work necessary to complete such a project.

Board of Supervisors
Board of Directors, Sacramento County Water Agency
January 16, 2001
Page 3

CONCLUSION:

The MOA provides an opportunity for all parties to develop a mutually beneficial water supply alternative while protecting the lower American River. It is a positive approach that may avoid a stalemate and costly litigation. Staff recommends that your Boards approve the MOA.


Respectfully submitted,

APPROVED:



Keith DeVore Director
Department of Water Resources

Terry Schutten
County Executive

By: 
Warren H. Harada, Administrator
Public Works Agency

cc: Robert Ryan, County Counsel
Stuart Somach, Somach, Simmons & Dunn
Jim Sequeira, Director, City Utilities
John Lampe, EBMUD

COUNTY OF SACRAMENTO

RESOLUTION NO. 2001-0052

**MEMORANDUM OF AGREEMENT WITH THE SACRAMENTO COUNTY
WATER AGENCY, CITY OF SACRAMENTO, EAST BAY MUNICIPAL
UTILITY DISTRICT AND UNITED STATES BUREAU OF RECLAMATION**

BE IT RESOLVED AND ORDERED that the Chair of the Board of Supervisors and the County Executive are hereby authorized and directed to execute an Memorandum of Agreement with the Sacramento County Water Agency, City of Sacramento, East Bay Municipal Utility District (EBMUD) and Bureau of Reclamation in order to further explore the feasibility of a water supply diversion project on the Sacramento River near the town of Freeport and to do and perform everything necessary to carry out the purpose of this Resolution; and

BE IT FURTHER RESOLVED that pursuing the Freeport diversion in the manner described in the attached Agreement shall not prejudice the ability of EBMUD to pursue delivery of water pursuant to its CVP contract at Freeport or at other locations in the event the Freeport Regional Diversion Project is not feasible; provided, further, that nothing contained in this Resolution or the attached Agreement shall prejudice the ability of this County to challenge or contest EBMUD's presence at any other location or the ability of EBMUD to challenge or contest actions by the County at any other location; and

BE IT FURTHER RESOLVED that the County is committed to partnership on the Freeport Regional Diversion Project as defined in the attached agreement and subject to the terms of said Agreement.

ON A MOTION by Supervisor Dickinson, seconded by Supervisor Collin, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 16th day of January, 2001, by the following vote, to wit:

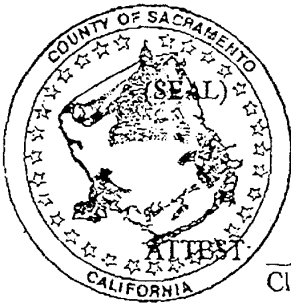
AYES: Supervisors, Collin, Dickinson, Johnson, Nottoli, Niello

NOES: Supervisors, None

ABSENT: Supervisors, None

Roger Niello

Chair of the Board of Supervisors



Cindy A. Turner
Clerk of the Board of Supervisors

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on JAN 16 2001

Kay Johnson
Deputy Clerk, Board of Supervisors

FILED

JAN 16 2001

BOARD OF SUPERVISORS
Cindy A. Turner
CLERK OF THE BOARD

SACRAMENTO COUNTY WATER AGENCY**RESOLUTION NO. WA-2415****MEMORANDUM OF AGREEMENT WITH THE COUNTY OF SACRAMENTO,
CITY OF SACRAMENTO, EAST BAY MUNICIPAL UTILITY DISTRICT AND
UNITED STATES BUREAU OF RECLAMATION**

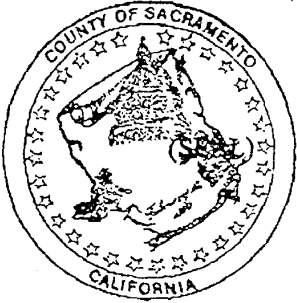
BE IT RESOLVED AND ORDERED that the Chair of the Board of Directors of the Sacramento County Water Agency be and is hereby authorized and directed to execute an Memorandum of Agreement with the County of Sacramento, City of Sacramento, East Bay Municipal Utility District (EBMUD) and Bureau of Reclamation in order to further explore the feasibility of a water supply diversion project on the Sacramento River near the town of Freeport and to do and perform everything necessary to carry out the purpose of this Resolution; and

BE IT FURTHER RESOLVED that pursuing the Freeport diversion in the manner described in the attached Agreement shall not prejudice the ability of EBMUD to pursue delivery of water pursuant to its CVP contract at Freeport or at other locations in the event the Freeport Regional Diversion Project is not feasible; provided, further, that nothing contained in this Resolution or the attached Agreement shall prejudice the ability of this Agency to challenge or contest EBMUD's presence at any other location or the ability of EBMUD to challenge or contest actions by the Agency at any other location; and

BE IT FURTHER RESOLVED that the Agency is committed to partnership on the Freeport Regional Diversion Project as defined in the attached agreement and subject to the terms of said Agreement.

ON A MOTION by Director Dickinson, seconded by Director Collin, the foregoing Resolution was passed and adopted by the Board of Directors of the Sacramento County Water Agency this 15th day of January, 2001, by the following vote, to wit:

AYES: Directors, Collin, Dickinson, Johnson, Nattoli, Niello
NOES: Directors, None
ABSENT: Directors, None



Roger Niello
Chair of the Board of Directors
of the Sacramento County Water Agency,
a public entity

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on JAN 16 2001

By Kay F. Johnson
Deputy Clerk, Board of Supervisors

ATTEST: Cindy H. Turner
Clerk of the Board of Supervisors of Sacramento
County, California, and ex-officio Secretary of the
Board of Directors of Sacramento County Water Agency

FILED

JAN 16 2001

BOARD OF DIRECTORS
By Cindy H. Turner
Clerk of the Board

January 16, 2001

MEMORANDUM OF AGREEMENT

1
2

3 This Agreement is made and entered into this _____ day of _____,
4 2001, by and between the City of Sacramento, a municipal corporation ("City"); the
5 Sacramento County Water Agency, a special district operating pursuant to the Sacramento
6 County Water Agency Act ("SCWA"); the County of Sacramento ("Sacramento County" and
7 "SCWA" will be referred to collectively as the "County" and the "City" and "County" will
8 be referred to, at times, collectively as the "Sacramento Parties"); the East Bay Municipal
9 Utility District, organized and existing pursuant to the Municipal Utility Districts Act
10 ("EBMUD"); and the United States Bureau of Reclamation ("Reclamation").

11 In consideration of the promises, terms, conditions and covenants contained herein,
12 the City, SCWA, County, EBMUD and Reclamation hereby agree as follows:

13 1. The Sacramento Parties and EBMUD, in coordination with Reclamation,
14 agree to jointly pursue development and implementation of a project as further described in
15 this Memorandum of Agreement.

16 2. Project Definition. The parties acknowledge that more work will need to be
17 undertaken prior to the time that a final project definition can be arrived at. Nonetheless, for
18 the purpose of this Memorandum of Agreement ("MOA") and as a basis for additional work
19 that will need to be undertaken until a more specific project definition can be agreed upon,
20 the parties agree that the Project will consist of the following components:

21 (a) The Project shall be referred to as the Freeport Regional Diversion
22 Project. It shall be a County/City/EBMUD joint project to construct a diversion structure
23 near the City-owned property approximately one mile north of the Town of Freeport and will
24 include construction of pipeline facilities extending east from the diversion structure to the

- DRAFT -

1 Folsom-South Canal and an EBMUD pipeline connection from the Folsom-South Canal to
2 the Mokelumne aqueduct.

3 (b) The County/City/EBMUD all have a need for water supply which can
4 be addressed through a diversion at this location. As described and analyzed in
5 Reclamation's and EBMUD's Final Environmental Impact Report/Environmental Impact
6 Statement associated with the EBMUD Supplemental Water Supply Project dated
7 December 15, 2000 ("Final EIR/EIS"), EBMUD would be permitted to take delivery of
8 Central Valley Project ("CVP") surface water in a dry year. The Parties, subject to the
9 provisions of Paragraph 3, believe that all of their needs can be accommodated through a
10 Freeport Regional Diversion Project. The Sacramento Parties will identify those elements
11 necessary to meet their water supply needs.

12 3. Additional Environmental Review.

13 (a) The parties recognize that in addition to the analysis in the Final EIS
14 for Alternative 6, final development of a Freeport Regional Diversion Project will require
15 additional environmental review. In particular, there may be a need to undertake project
16 level analysis of the Freeport diversion and the pipeline route. In any additional
17 environmental review, the parties agree to tier off of the Final EIR/EIS, and to complete all
18 environmental analysis within the time set forth below.

19 (b) The parties recognize that the Endangered Species Act ("ESA")
20 compliance on the preferred alternative in the ROD will not evaluate the specifics of any
21 diversion project. As a consequence, prior to proceeding with the Freeport diversion, site-
22 specific consultation will be required.

1 4. Assurances. The parties recognize that a predicate for the success of the joint
2 effort identified in this MOA is the existence of firm assurances with respect to interests of
3 concern to the respective parties. The assurances provided in this Paragraph 4 constitute the
4 full and complete assurances required by all parties for their commitments to the
5 development of a Freeport Regional Diversion Project under this MOA. The parties agree as
6 follows:

7 (a) EBMUD shall, by January 23, 2001, by resolution, agree to forego the
8 delivery of water diverted at Nimbus pending completion of the permitting, environmental
9 documentation and other actions identified in 6(d)(vii) of this Agreement not later than
10 July 31, 2002.

11 (b) Reclamation and the Sacramento Parties shall, by January 23, 2001, by
12 letter, in the case of Reclamation, and by resolution, in the case of the Sacramento Parties,
13 agree that pursuing the Freeport diversion, as provided for herein, shall not prejudice
14 EBMUD's ability to later pursue delivery of water pursuant to its CVP water contract at
15 Freeport or at other locations in the event that the Freeport Regional Diversion Project is not
16 feasible.

17 (c) EBMUD and the Sacramento Parties shall, by January 23, 2001, by
18 resolution, agree that nothing contained herein shall prejudice the Sacramento Parties'
19 ability to challenge or contest EBMUD's presence at any other location or the ability of
20 EBMUD to challenge or contest actions by the Sacramento Parties at any other location.

21 (d) EBMUD, the County and the City shall each adopt, by January 23,
22 2001, a formal resolution that they are committed to a partnership on the Freeport Regional
23 Diversion Project that is defined herein and subject to the terms hereof.

1 5. Immediate Milestones. The parties agree that they will adhere to the
2 following immediate Milestones:
3 (a) Compliance with the ESA within a time period which allows for a
4 Record of Decision on the preferred alternative described in the Final EIR/S as set forth in
5 Paragraph 5(c) below.
6 (b) The resolutions and assurance letter provided for in Paragraph 4 above
7 adopted by January 23, 2001.
8 (c) A Record of Decision and the release by Reclamation of a Draft
9 Amendatory Contract which conforms with the Record of Decision by January 16, 2001.
10 (d) Execution of an EBMUD Amendatory Contract for Project Water
11 Service by April 30, 2001.
12 (e) Development of a mutually agreeable subsequent contract or MOA
13 (see Paragraph 6 below) among the parties hereto to cover all aspects of the project not
14 addressed herein by July 31, 2001.
15 6. Project Implementation Agreement Among the Parties and Additional
16 Milestones
17
18 (a) This MOA is intended to commit the parties to certain actions through
19 July 31, 2001. Among those actions is the development of a Project Implementation
20 Agreement to be executed by all of the parties to the MOA that would facilitate funding and
21 completion of all necessary documentation, permitting, engineering and environmental work
22 associated with the development of the Freeport Regional Diversion Project and, if
23 appropriate, the construction of the project. That future agreement shall supersede this
24 MOA.

1 (b) Not later than July 31, 2001, this MOA shall be superseded by a
2 mutually agreeable Project Implementation Agreement that will cover all future aspects of
3 work on the Freeport Regional Diversion Project and for the purpose, among other things, of
4 more clearly defining the project, allocating responsibilities among the parties, and
5 developing final timelines for project design, construction, startup and operation.

6 (c) The Parties agree that a final draft of a mutually agreeable Project
7 Implementation Agreement shall be prepared and under active consideration for adoption by
8 each of the Parties to this MOA by not later than May 31, 2001. The Project Implementation
9 Agreement shall, at a minimum, contain: a final Freeport Regional Diversion Project
10 description; preliminary cost estimates for construction and operation; a detailed schedule of
11 all actions required for implementation, start-up and initial operation; alternative cost share
12 proposals to equitably distribute the cost of the Freeport Regional Diversion Project among
13 the Parties to this MOA; and all mutually agreed upon assurances.

14 (d) The parties understand and agree that time commitments and effective
15 coordination are essential in order to allow the parties to succeed at their joint efforts. The
16 parties shall therefore make good faith efforts and devote adequate resources as specified in
17 this MOA, and as more specifically provided for in the Project Implementation Agreement,
18 to complete the following tasks within the specified time frames, assuming, with respect to
19 subparagraphs 6(d)(viii) through (x), the execution of a mutually acceptable Project
20 Implementation Agreement.

21 (i) Select by March 1, 2001, an outside consultant or consultants
22 to undertake work needed to complete the milestones through
23 July 31, 2001 in this sub-paragraph 6(d)(ii-vi).

- 1 (ii) Identify and agree upon necessary environmental work and
2 permits by May 31, 2001.
- 3 (iii) Develop by March 31, 2001, a public outreach program and
4 schedule that incorporates the products resulting from the
5 Technical Coordination Team activities provided for in
6 Paragraph 10 of this MOA.
- 7 (iv) Develop and agree on cost-share proposals, including
8 identification of how costs incurred under the Project
9 Implementation Agreement are to be paid for, by June 30,
10 2001.
- 11 (v) Develop detailed schedules for design and construction by
12 June 30, 2001.
- 13 (vi) Execute a cost-share agreement by July 30, 2001.
- 14 (vii) Complete and certify all necessary environmental
15 documentation, including NEPA/CEQA compliance and ESA
16 permitting and secure all necessary Federal, State and Local
17 permits by July 31, 2002.
- 18 (viii) Complete design work by July 31, 2003.
- 19 (ix) Award construction contracts by September 30, 2003.
- 20 (x) Complete construction by September 30, 2005.
- 21 (e) Notwithstanding the parties' good faith efforts to achieve the
22 milestones set forth above, the parties recognize that delays may occur. If significant delays
23 occur in connection with any of the components of the work described in Paragraph 6(d)

1 above, this MOA shall terminate as provided in Paragraph 14 of this Agreement unless the
2 Policy Group recommends modifications that are approved by each of the signatories to this
3 MOA.

4 7. Policy Group. The parties shall each designate two representatives to
5 participate in a Joint Project Policy Group. The Policy Group shall meet as necessary and
6 shall be responsible for determining overall policy direction relating to all aspects of the
7 work identified herein. Policy representatives shall also be responsible for handling media
8 requests and public presentations relating to the work identified herein.

9 8. Technical Coordination Team. The parties shall each designate
10 representatives to participate on a Technical Coordination Team. The Technical
11 Coordination Team shall meet not less frequently than once every two weeks and shall be
12 responsible for coordinating and performing engineering development activities,
13 environmental and permitting work, managing the work of engineering and environmental
14 consultants, reviewing and approving work products relating to engineering and
15 environmental work, providing technical input on engineering and environmental issues, and
16 responding to directives and requests of the Policy Group relating to the engineering and
17 environmental aspects of the Regional Freeport Diversion Project.

18 9. Legal Team. The Parties shall each designate one or more representatives to a
19 legal team to confer as appropriate and support the work of the policy and technical teams.

20 10. Participation by Potentially Affected Parties. It is intended that this MOA
21 and the Project Implementation Agreement be implemented in a manner that is open and
22 considers the views of all interested and potentially affected parties. As a consequence, the
23 Parties agree, as appropriate, to fully analyze and consider within their subsequent

1 negotiations and discussions, the views and input of other interests, including members of the
2 environmental, the Central Valley Project water users, and other communities. The
3 Technical Coordination Team will meet with potentially affected parties and will establish a
4 specific process consistent with the timetables and purposes of this MOA to facilitate this
5 objective. In any event, the Parties agree to develop a public outreach program as an
6 essential element of this MOA and the Project Implementation Agreement.

7 11. Funding. Non-staff costs necessary to complete all elements under this MOA
8 through July 31, 2001 will be shared equally among the four parties. The Parties
9 acknowledge that the respective costs of subsequent elements of the Freeport Regional
10 Diversion Project have not yet been developed and that each party's participation must be
11 predicated upon their determination, in writing, that their respective allocated costs for any
12 activity are economically feasible and a cost that they are willing to bear.

13 12. Construction and Interpretation. It is agreed and acknowledged by the
14 parties hereto that the provisions of this MOA have been arrived at through negotiation, and
15 that each of the parties has had a full and fair opportunity to revise the provisions of this
16 MOA and to have such provisions reviewed by legal counsel. Therefore, the normal rule of
17 construction that any ambiguities are to be resolved against the drafting party shall not apply
18 in construing or interpreting this MOA.

19 13. Effective Date. This MOA shall be effective upon its full execution by the
20 parties hereto.

21 14. Term of Agreement. The term of this MOA shall be through July 31, 2001.
22 This MOA shall automatically expire when such term ends, unless amended or terminated in
23 accordance with the provisions herein.

1 15. California Law. This MOA is made in and shall be governed by the laws of
2 the State of California.

3 16. Notice. Any notice which County, City, EBMUD or Reclamation may desire
4 or is required to give or serve on another party hereto may be delivered personally, or sent by
5 United States mail, postage prepaid, to the following representatives:

6 City Representative: Jim Sequeira, Director
7 City of Sacramento Utilities Department
8 1395 - 35th Avenue
9 Sacramento, CA 95822

10 County Representative: Keith DeVore, Director
11 Department of Water Resources
12 County of Sacramento Public Works
13 827 Seventh Street, Room 301
14 Sacramento, CA 95814

15 EBMUD Representative: John Lampe, Director
16 Water and Natural Resources Department
17 East Bay Municipal Utility District (EBMUD)
18 375 - 11th Street, MS 305
19 Oakland, CA 94623-1055

20 Reclamation Representative: Lester Snow, Regional Director
21 United States Bureau of Reclamation
22 2800 Cottage Way
23 Sacramento, CA 95825
24
25
26
27

28 Any party hereto shall have the right to change the address where it will receive such
29 notices by giving fifteen (15) days advance notice to the other parties. Any notices
30 transmitted pursuant to this paragraph shall be deemed received upon delivery, if personally
31 delivered, or on the third day following deposit in the mail, if sent by mail.

32 17. Entire Agreement. This MOA constitutes the sole, final, complete, exclusive
33 and integrated expression and statement of the terms and conditions of this Agreement
34 among the parties concerning the subject matter addressed herein, and supersedes all prior

1 negotiations, representations or agreements, oral or written, that may be related to the subject
2 matter of this Agreement. Any amendment to this MOA must be agreed upon in writing by
3 all Parties to this MOA.

4 18. Assignment. This Agreement shall not be assigned by any party without prior
5 written approval of the other parties.

6 IN WITNESS WHEREOF, the parties hereto execute this MOA.

7

8

CITY OF SACRAMENTO

9

10

11

12

By: _____
Heather Fargo, Mayor

13

14

15

16

By: _____
Robert P. Thomas, City Manager

17

18 Attest:

19

20

21

22 _____
City Clerk

23

24

25 Approved as to Form:

26

27

28

29 _____
Deputy City Attorney

COUNTY OF SACRAMENTO

By: _____
Chairperson, Board of Supervisors

By: _____
Terry Schutten, County Executive

Attest:

Clerk of the Board of Supervisors

Approved as to Form:

County Counsel

SACRAMENTO COUNTY WATER AGENCY

By: _____
Chairperson, Board of Directors

Attest:

Clerk of the Board of Supervisors of
Sacramento County, California, and
Ex-officio Secretary of the Board of
Directors of the Sacramento County
Water Agency

Approved as to Form:

County Counsel

- DRAFT -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

EAST BAY MUNICIPAL UTILITY DISTRICT

By: _____
Chairperson, Board of Directors

By: _____
Dennis Diemer, General Manager

Approved as to Form:

EBMUD General Counsel

UNITED STATES BUREAU OF RECLAMATION

By: _____
Lester Snow, Regional Director

Approved as to Form:

Solicitor

- DRAFT -

January 19, 2001

Board of Supervisors
San Joaquin County
222 E. Weber Avenue
Stockton, CA 95202

Re: Development of Partnership with Respect to Water Supply
Development

Dear Members of the San Joaquin County Board of Supervisors:

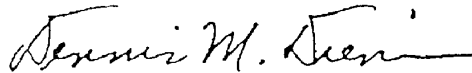
The East Bay Municipal Utility District ("EBMUD"), City of Sacramento, and County of Sacramento, in cooperation with the United States Bureau of Reclamation, have entered into an historic Memorandum of Agreement ("MOA") for the development of a Freeport Regional Diversion Project which, either among them or with other or additional partners, will be a joint project to construct a diversion structure near property owned by the City of Sacramento approximately one mile north of the Town of Freeport, and will include construction of pipeline facilities extending east from the diversion structure to the Folsom-South Canal, and an EBMUD pipeline connection from the Folsom-South Canal to the Mokelumne aqueduct. I have enclosed a copy of the MOA for your information and convenience.

The MOA contains a fairly aggressive schedule for project development, environmental review, and, assuming a decision to proceed, Project implementation. Included within the MOA is a commitment to involve potentially affected parties in Project development and, if appropriate, Project implementation. As a consequence, the Technical Coordination Team established within the MOA is required to meet with all potentially affected parties and, not later than March 31, 2001, develop a program and schedule that incorporates or recommends Project elements that can further these broader partnership opportunities.

It is our understanding that San Joaquin County may have interests that could be benefited through participation in the Freeport Regional Diversion Project. With the tight timetable in mind, if you are interested, we urge you to contact any of the undersigned. We will then follow up diligently to ensure that your interests and ideas are fully considered and, if appropriate, are fully incorporated into Project planning.

Very truly yours,

EAST BAY MUNICIPAL UTILITY DISTRICT

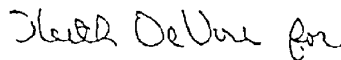


Dennis Diemer

CITY OF SACRAMENTO


Robert P. Thomas

COUNTY OF SACRAMENTO



Terry Schutten

cc: Senator Michael J. Machado
Lester Snow

A-01-_____

**JOINT EXERCISE OF POWERS AGREEMENT
NORTHEASTERN SAN JOAQUIN COUNTY
GROUNDWATER BANKING AUTHORITY**

THIS AGREEMENT is made by and among the San Joaquin County Flood Control and Water Conservation District ("County District"), the City of Stockton ("Stockton"), the City of Lodi ("Lodi"), Stockton-East Water District ("SEWD"), Central San Joaquin Water Conservation District ("Central"), Woodbridge Irrigation District ("Woodbridge"), and North San Joaquin Water Conservation District ("NSJWCD"), collectively called the "Members". The Members hereby agree as follows:

**ARTICLE I
GENERAL PROVISIONS**

Section 1.01. Creation of Authority. Pursuant to Government Code Section 6500 et seq. there is hereby created a public entity to be known as the "Northeastern San Joaquin County Groundwater Banking Authority" which shall be a public entity separate and apart from the Members, and shall administer this Agreement.

Section 1.02. Purpose. The purpose of this Agreement is to provide a consensus-based forum of public water interests in Northeastern San Joaquin County that will work cooperatively with unanimity toward achieving the goal as defined in Section 1.03 and speak on behalf of the Members with one voice.

Section 1.03. Goal. The long-term goal of the Authority is to facilitate the development of locally supported groundwater banking projects that improve water supply reliability in Northeastern San Joaquin County. The Authority's short-term goals are as follows:

- (a) To participate in the design and implementation of the Freeport Regional Diversion Project so as to provide benefits to project participants and San Joaquin County.
- (b) To create an entity with the power to finance and construct specific projects.
- (c) To apply for grant funding to support the activities of the Authority.

**ARTICLE II
POWERS**

Section 2.01. Powers. The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers including, but not limited to the making and entering into contracts.

Section 2.02. Restrictions on Exercise of Powers. The powers of the Authority shall be exercised in the manner provided in Government Code Section 6509 and to the restrictions upon the manner of exercising such powers that are imposed upon the County District in the exercise of similar powers.

ARTICLE III GOVERNING BODY

Section 3.01. Governing Board. The Authority shall be administered by a Board of Directors ("Board"), one appointed by each of the Member entities with a designation of two alternative Directors to serve as a replacement for the appointed Director as needed, to serve at the pleasure of their appointive governing body. The Board shall be called the "Northeastern San Joaquin County Groundwater Banking Authority Board". All voting power of the Authority shall reside in the Board.

Section 3.02. Meetings of the Board. The Board shall provide for calling and conducting its regular meetings and special meetings, in accordance with Government Code Section 54950 et seq.

Section 3.03. Minutes. The Secretary shall cause to be kept summary minutes of the meetings of the Board and shall, as soon as possible after each meeting, cause of copy of the summary minutes to be forwarded to each Director and to each of the Members.

Section 3.04. Voting. Each Director shall have one vote.

Section 3.05. Quorum; Required Votes; Approval. A quorum of the Board for the convening of any meeting shall consist of a majority of all Directors, or designated alternative Director. The unanimous vote of all Directors present and eligible to vote shall be required for any action of the Board of Directors.

Section 3.06. Bylaws. The Board may adopt, from time to time, such bylaws and regulations for the conduct of its meetings as are necessary for the purposes hereof.

ARTICLE IV OFFICERS AND EMPLOYEES

Section 4.01. Chair, Vice-Chair, and Secretary. The Board member from the County District shall be the Chair and in the Board member's absence the alternate member from County District shall act as Chair. The Board shall elect a Vice-chair from among the Directors. The Vice-chair shall serve at the pleasure of the board, shall perform the duties normal to said office, and

- A. The chair shall sign all contracts authorized by the Board and shall represent the Board as directed by the Board and perform such other duties as may be imposed by said Board;

- B. The vice-chair shall act, sign contracts and perform all of the chair's duties in the absence of the chair; and
- C. The San Joaquin County Director of Public Works shall be the Secretary and provide staff to the Authority. The Secretary shall countersign all contracts signed by the chair or vice-chair on behalf of the Authority, perform such other duties as may be imposed by the Board.

Section 4.02. Treasurer and Auditor.

A. The County Treasurer shall be the depository, shall have custody of all the money of the Authority from whatever source, and shall have the duties and obligations of the Treasurer as set forth in Government Code Sections 6505 and 6505.5. The County Treasurer shall be responsible for receiving quarterly reports from the Secretary and verifying the balance of this report with respect to the balance as maintained by the records of the County Auditor.

B. The County Auditor shall have the duties and obligations of the Auditor set forth in Government Code Sections 6505 and 6505.5. The County Auditor shall assure strict accountability of all receipts and disbursements of the Authority and shall make arrangements with a certified public accountant or firm of certified public accountants for the annual audit of accounts and records of the Authority.

Section 4.03. Officers in Charge of Records; Funds; and Accounts. Pursuant to Government Code Section 6505.1, the County Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto; and the Secretary shall have charge of, handle and have access to all other records of the Authority.

Section 4.04. Employees and Consultants. The Board may make recommendations to the County District for the employment of employees or consultants to provide services to the Authority to accomplish the purposes of the Authority. The County District may employ employees and consultants and may execute contracts, supervise and direct, and provide payment for such employees and consultants.

ARTICLE V
ACCOUNTS AND REPORTS: FUNDS

Section 5.01. Accounts and Reports. The County Auditor shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times by the public and representatives of the Members. The Auditor, within 120 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Members.

Section 5.02. Funds. The County Treasurer shall receive, have the custody of and disburse Authority funds on warrants drawn by the County Auditor as nearly as possible in

accordance with generally accepted accounting practices, shall make the disbursements required by this Agreement, or to carry out any of the provisions or purposes of this Agreement.

Section 5.03. Annual Budget. The County District shall adopt a budget for the Authority. The Authority Board may make recommendations to the County District concerning the budget. The County District shall provide funds as set forth in the adopted budget which shall be limited to planning activities when using Zone 2 funds. Other members shall make contributions which shall be included in the budget adopted by the County District.

Section 5.04. Intention for Reimbursement for Expenditures From Bond Proceeds. It is the intention of the Members that the advancement of monies by any Members for the expenses of the operational needs of the Authority may be reimbursed from the proceeds of bonds, if issued, for the water development projects undertaken by the Authority or by its successor organization, by vote of the Board.

ARTICLE VI ASSOCIATE MEMBERSHIP

Section 6.01. California Water Service Company. CalWater and the Farm Bureau may be associate members of the Authority with one position each on the Board of Directors of the Authority. The associate members shall be entitled to participate in the meetings and discussions of the Board but the associate members shall not have the power to vote on any action to be taken by the Authority or to become an officer or Director of the Authority.

ARTICLE VII CONTEMPLATED PROJECT

It is contemplated that some or all of the Members will enter into subsequent agreements for the construction, operation, and maintenance of a project. Participation in this agreement is not a firm commitment by any individual Member to enter into a groundwater banking project.

ARTICLE VIII TERM; WITHDRAWAL; TERMINATION

Section 7.01. Term. This Agreement shall become effective as of the date hereto and shall continue in full force and effect until June 30, 2003.

Section 7.02. Withdrawal of Member. A Member may terminate its Membership in the Authority at any time upon giving written notice of the withdrawal to the Authority.

Section 7.03. Disposition of Assets. Upon termination of this Agreement, all remaining net assets of the Authority, both real and personal, shall be transferred to the County District.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 8.01. Amendments. This Agreement may be amended by unanimous consent of the Member agencies at any time, or from time to time.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year set opposite the name of the parties.

ATTEST: LOIS M. SAHYOUN
Clerk of the Board of Supervisors
of the San Joaquin County Flood
Control and Water Conservation District

By _____ (SEAL)
Deputy Clerk

SAN JOAQUIN COUNTY FLOOD
CONTROL AND WATER CONSERVATION
DISTRICT

By _____
DARIO MARENCO, Chairman
Board of Supervisors

“COUNTY DISTRICT”

ATTEST:

CLERK

CITY OF STOCKTON, a municipal
corporation of the State of California

By: _____

Title: _____

“STOCKTON”

ATTEST:

CLERK

CITY OF LODI, a municipal corporation
of the State of California

By: _____

Title _____

“LODI”

ATTEST:

STOCKTON-EAST WATER DISTRICT

CLERK

By: _____

Title: _____

“SEWD”

ATTEST:

CENTRAL SAN JOAQUIN WATER
CONSERVATION DISTRICT

CLERK

By : _____

Title: _____

“CENTRAL”

ATTEST:

WOODBIDGE IRRIGATION DISTRICT

CLERK

By: _____

Title: _____

“WOODBIDGE”

ATTEST:

NORTH SAN JOAQUIN WATER
CONSERVATION DISTRICT

CLERK

By: _____

Title: _____

“NSJWCD”

APPROVED AS TO FORM:
TERRENCE R. DERMODY
County Counsel

By _____
MICHAEL McGREW
Assistant County Counsel

January 31, 2001

CITY COUNCIL

ALAN S. NAKANISHI, Mayor
PHILLIP A. PENNINO
Mayor Pro Tempore
SUSAN HITCHCOCK
EMILY HOWARD
KEITH LAND

CITY OF LODI
PUBLIC WORKS DEPARTMENT

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6706
FAX (209) 333-6710
EMAIL pwdept@lodi.gov
http://www.lodi.gov

H. DIXON FLYNN
City Manager
SUSAN J. BLACKSTON
City Clerk
RANDALL A. HAYS
City Attorney
RICHARD C. PRIMA, JR.
Public Works Director

February 1, 2001

Ed Steffani
North San Joaquin
Water Conservation District
c/o City of Lodi
P. O. Box 3006
Lodi, CA 95241-1910

Andy Christensen, Mgr.
Woodbridge Irrigation District
18777 N. Lower Sacramento Rd.
Woodbridge, CA 95258

Manuel Lopez, Director
San Joaquin County Public Works
P.O. Box 1810
Stockton, CA 95201-1810

Anthony Saracino
East San Joaquin
Parties Water Authority
c/o Saracino-Kirby, Inc.
555 Capitol Mall, Ste. 1550
Sacramento, CA 95814

Jack Sieglock
County Supervisor, 4th Dist.
County Courthouse
222 E. Weber Ave.
Stockton, CA 95202

Morris Allen, W/WW Director
City of Stockton
2500 Navy Drive
Stockton, CA 95205-1191

Mark S. Williamson
Senior Civil Engineer
East Bay
Municipal Utility District
P. O. Box 24055, MS 612
Oakland, CA 94623-1055

Reid Roberts
Central San Joaquin
Water Conservation District
311 E. Main Street, Ste. 202
Stockton, CA 95202

Kevin Kaufman, General Mgr.
Stockton East Water District
P.O. Box 5157
Stockton, CA 95205

SUBJECT: Approve the Joint Powers Agreement for the Northeastern San Joaquin County Groundwater Banking Authority, Appoint a Representative and Two Alternates to that Board, and Provide Policy Direction Regarding Participation in Successor Entity to East San Joaquin Parties Water Authority for Future Surface Water Supplies


Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, February 7, 2001. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the regular calendar for Council discussion. You are welcome to attend.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Susan Blackston, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call me at (209) 333-6759.



Richard C. Prima, Jr.
Public Works Director

Enclosure

cc: City Clerk ✓

NGWBANKAGENCY